

**TOWN OF GOLTRY
ALFALFA COUNTY, OKLAHOMA**

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2021**

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

**TOWN OF GOLTRY
ALFALFA COUNTY, OKLAHOMA
BOARD OF TRUSTEES AND OFFICERS**

Jimmy Nichols
Brian Severin
Jamir Coulter
Doug Buller
Matt Meyer

Mary L. Page

Mayor
Vice Mayor
Trustee
Trustee
Trustee

Clerk/Treasurer

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Town officials	
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Honorable Board of Trustees
Town of Goltry
Goltry Public Works Authority
Goltry, Oklahoma

Independent Auditors' Report

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely component units, each major fund, and aggregate remaining fund information of the Town of Goltry, State of Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Goltry, State of Oklahoma, as of June 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Goltry, State of Oklahoma's basic financial statements. The management's discussion and analysis and budgetary comparison information, which has been omitted, which are the responsibility of management, are usually presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022, on our consideration of the Town of Goltry's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Goltry's internal control over financial reporting and compliance.


Watonga, Oklahoma
May 9, 2022

**GOVERNMENT-WIDE
STATEMENTS**

TOWN OF GOLTRY, Oklahoma
Statement of Net Position - Modified Cash Basis
June 30, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
<i>Unrestricted:</i>			
Cash and Cash Equivalents	\$ 191,080	\$ 106,546	\$ 297,626
Certificates of deposits	-	-	-
<i>Restricted:</i>			
Restricted Cash and Investments	-	23,280	23,280
Certificates of deposits	-	5,202	5,202
Capital Assets (Note			
Land, infrastructure	-	-	-
Depreciable capital assets, net	-	1,760,419	1,760,419
Total Assets	<u>191,080</u>	<u>1,895,448</u>	<u>2,086,528</u>
LIABILITIES			
Customer Deposits	-	28,483	28,483
Long-term Liabilities (Note			
Due within one year	-	25,676	25,676
Due in more than one year	-	180,526	180,526
Total Liabilities	<u>-</u>	<u>234,685</u>	<u>234,685</u>
NET POSITION			
Invested in capital assets, net of related debt	-	1,554,217	1,554,217
Restricted	-	-	-
Unrestricted	191,080	106,546	297,626
Total Net Position	<u>\$ 191,080</u>	<u>\$ 1,660,763</u>	<u>\$ 1,851,844</u>

See accompanying notes to the basic financial statements.

TOWN OF GOLTRY, Oklahoma
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2021

Functional Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Primary Government:							
Governmental Activities:							
General Government	\$ 53,332	\$ 81	\$ 20,000	\$ 134,338	\$ 101,087	\$ -	\$ 101,087
Public Safety	18,123	5,288	4,826	-	(8,009)	-	(8,009)
Parks and recreation	-	-	-	-	-	-	-
Highway and streets	7,099	-	-	-	(7,099)	-	(7,099)
Total governmental activities	78,555	5,369	24,826	134,338	85,979	-	85,979
Business-Type Activities:							
Electrical service system	186,493	242,955	-	-	-	56,462	56,461.89
Water utility system	43,898	79,632	-	-	-	35,734	35,734.18
Sewer system	13,320	19,355	-	-	-	6,035	6,035.06
Sanitation services	31,476	27,510	-	-	-	(3,966)	(3,966.06)
General and administrative	46,945	18,848	-	-	-	(28,097)	(28,097.06)
Depreciation - Unallocated	66,467	-	-	-	-	(66,467)	(66,466.51)
Interest Expense - Unallocated	11,070	-	-	-	-	(11,070)	(11,069.78)
Miscellaneous	50,574	-	-	-	-	(50,574)	(50,574)
Total business-type activities	450,242	388,300	-	-	-	(61,942)	(61,942)
Total Primary Government	528,797	393,669	24,826	134,338	85,979	(61,942)	24,036
General Revenues:							
Taxes:							
Sales, Use & Tobacco Tax					128,013	-	128,013
Franchise Tax					1,391	-	1,391
Intergovernmental					12,088	-	12,088
Investment Income					153	97	250
Miscellaneous					28,360	-	28,360
Transfers-Internal Activity					(186,814)	186,814	-
Total general revenues and transfers					(16,809)	186,911	170,102
Changes in Net Position							
Net Position - Beginning					121,910	1,535,795	1,657,705
Net Position - Ending					191,080	1,660,763	1,851,844

See accompanying notes to the basic financial statements.

**GOVERNMENTAL FUND
STATEMENTS**

TOWN OF GOLTRY, Oklahoma
STATEMENT OF NET POSITION - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Street & Alley Fund	Grant Fund	Total
ASSETS				
Cash and cash equivalents	\$ 187,514	\$ 3,567	\$ -	\$ 191,080
Investments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Restricted investments	-	-	-	-
Capital Assets				
Land, inexhaustible assets and construction-in-process	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	-	-
Total Assets	187,514	3,567	-	191,080
LIABILITIES				
Customer deposits	-	-	-	-
Long-term debt				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	-	-	-	-
NET POSITION				
Non-Spendable				
Invested in Capital Assets, net of debt	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	3,567	-	3,567
Unassigned	187,514	-	-	187,514
Total Net Position	187,514	3,567	-	191,080
Reconciliation to Statement of Net Position:				
Amount reported for governmental activities in the statement of net assets				
Capital assets				-
Certain liabilities not payable in the reporting period				-
				\$ 191,080

See accompanying notes to the basic financial statements,

TOWN OF GOLTRY, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
CASH BASIS
GOVERNMENTAL FUNDS

	General Fund	Street & Alley	Grant Fund	Total
Revenues:				
Taxes	\$ 129,404	\$ -	\$ -	\$ 129,404
Intergovernmental	10,026	2,061	-	12,088
Charges for services	5,288	-	-	5,288
Fines and forfeitures	-	-	-	-
Licenses and permits	81	-	-	81
Investment income	153	-	-	153
Miscellaneous	37,185	-	-	37,185
Total Revenues	<u>182,138</u>	<u>2,061</u>	<u>-</u>	<u>184,200</u>
Expenditures:				
Administration				
Personnel Service	13,149	-	-	13,149
Maintenance and Operation	36,413	-	-	36,413
Capital Outlay	3,771	-	-	3,771
Total Expenditures	<u>53,332</u>	<u>-</u>	<u>-</u>	<u>53,332</u>
Street & Alley Department				
Personnel Service	-	-	-	-
Maintenance and Operation	-	7,099	-	7,099
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>7,099</u>	<u>-</u>	<u>7,099</u>
Fire Department				
Personnel Service	3,089	-	-	3,089
Maintenance and Operation	15,034	-	-	15,034
Capital Outlay	-	-	-	-
Total Expenditures	<u>18,123</u>	<u>-</u>	<u>-</u>	<u>18,123</u>
Excess (deficiency) of revenues over expenditures	110,682	(5,038)	-	105,645
Other Financing Sources				
Transfers In	-	5,000	-	5,000
Transfers Out	(181,465)	-	-	(181,465)
Grant Proceeds	139,990	-	-	139,990
Total Other Financing Sources	<u>(41,475)</u>	<u>5,000</u>	<u>-</u>	<u>(36,475)</u>
Net Changes in Fund Balances	69,207	(38)	-	69,170
Fund Balance - Beginning	118,306	3,604	-	121,910
Fund Balance - Ending	<u>187,514</u>	<u>3,567</u>	<u>-</u>	<u>\$ 191,080</u>
	-	-	-	
Reconciliation to the Statement of Activities:				
Net change in fund balances				69,170
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:				
Capital assets capitalized				-
Depreciation expense				-
Change in net assets of governmental activities				<u>\$ 69,170</u>

See Accompanying notes to the basic financial statements.

**PROPRIETARY FUND
STATEMENTS**

TOWN OF GOLTRY, Oklahoma
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2021

	Public Works Authority	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 106,546	\$ 106,546
Certificates of Deposit	-	-
Noncurrent Assets:		
Restricted cash and cash equivalents	23,280	23,280
Restricted Certificates of Deposits	5,202	5,202
Capital Assets, net of accumulated depreciation	1,760,419	1,760,419
Total noncurrent assets	1,788,902	1,788,902
Total Assets	1,895,448	1,895,448
LIABILITIES		
Current Liabilities:		
Notes payable-current portion	25,676	25,676
Total current liabilities	25,676	25,676
Noncurrent Liabilities:		
Refundable deposits	28,483	28,483
Notes payable-long-term portion	180,526	180,526
Total noncurrent liabilities	209,009	209,009
Total Liabilities	234,685	234,685
NET POSITION		
Invested in Capital Assets, net of debt	1,554,217	1,554,217
Restricted	-	-
Unrestricted	106,546	106,546
Total Net Position	\$ 1,660,763	\$ 1,660,763

See accompanying notes to the basic financial statements,

TOWN OF GOLTRY, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Total
Revenues:		
Charges for services:		
Electricity	\$ 242,955	\$ 242,955
Water	79,632	79,632
Sewer	19,355	19,355
Sanitation	27,510	27,510
Other	18,848	18,848
Total Revenues	<u>388,300</u>	<u>388,300</u>
Cost of Revenues		
Utility Purchases	152,391	152,391
Water Purchases	28,411	28,411
Trash Collection	31,476	31,476
Operating Expenses		
Personal Services and Benefits	69,816	69,816
Office Expense	9,010	9,010
Maintenance, Repairs, and Supplies	44,955	44,955
Insurance	10,887	10,887
Audit	-	-
Other	28,758	28,758
Depreciation	66,467	66,467
Total Expenses	<u>442,171</u>	<u>442,171</u>
Operating Income (Loss)	<u>(53,871)</u>	<u>(53,871)</u>
Non-operating revenues (expenses):		
Investment income	97	97
Interest and borrowing costs	(8,072)	(8,072)
Grant Proceeds	-	-
Other revenue		
Transfers In	19,182	19,182
Transfer in of Capitalized Assets from Grant Expenditures	167,632	167,632
Transfers Out	-	-
Total Non-operating Revenues (Expenses)	<u>178,839</u>	<u>178,839</u>
Changes in Net Position	124,968	124,968
Net Position - Beginning	1,535,795	1,535,795
Prior Period Adjustment	-	-
Net Position - Ending	<u><u>1,660,763</u></u>	<u><u>\$ 1,660,763</u></u>

See Accompanying notes to the basic financial statements.

TOWN OF GOLTRY, Oklahoma
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Total
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 388,300	\$ 388,300
Payments to Suppliers	(305,888)	(305,888)
Payments for personnel services	(69,816)	(69,816)
Net cash provided (used) by operating activities	12,596	12,596
CASH FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from General Fund	19,182	19,182
Customer Deposit	-	-
	19,182	19,182
CASH FLOW FROM CAPITAL RELATED ACTIVITIES		
Principle repaid	(24,778)	(24,778)
Interest and administrative fees	(11,070)	(11,070)
Proceeds from Grants	-	-
Capital expenditures	-	-
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	97	97
Purchased Certificate of Deposit	-	-
Net change in cash and cash equivalents	(3,974)	(3,974)
Balance Beginning of the year	133,800	133,800
Balance End of the year	129,826	\$ 129,826
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating Income (Loss)	\$ (53,871)	\$ (53,871)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	66,467	66,467
Increase in customer deposits	-	-
	\$ 12,596	\$ 12,596

See Accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The accounting policy of the Town of Goltry is to prepare its financial statements on the cash basis of accounting (Governmental Funds) and the modified cash basis of accounting (Proprietary Funds). This basis of accounting differs from accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial Reporting Entity

The Town's financial reporting entity is composed of the following:

Primary Government	Town of Goltry
Blended Component Units	Goltry Public Works Authority
Discretely Presented Component Units	None

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized as when they are received. Expenditures generally are recognized when a liability is paid.

The Town reports the following major governmental funds.

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are wither legally restricted for a specific purposes or designated to finance particular functions or activities. These funds include the Street and Alley Fund and the Grant Fund.

The Public Works Authority, a proprietary fund, is used to account for the business-like activities provided to the general public. Included in this fund is the Meter Deposit Fund.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during

Cash and cash equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based upon quoted market prices. All investments of the Town are currently held as certificate of deposits.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental columns in the government-wide financial statements. Capital assets are omitted from the Town's financial statements. The Town has presented the capital assets in the Public Works or proprietary fund. The Town capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for improvements, and \$50,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Water Utility System	40
Machinery and equipment	5
Vehicles	7

Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund. No liability for compensated absences has been presented on the basic financial statements.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities. No encumbrances exist as of the end of the fiscal year.

Fund equity and net assets

In the fund financial statements, governmental fund balance is presented in five possible categories: Nonspendable—resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted—resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed—resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned—resources neither restricted nor committed for which a government has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes.

Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance—total governmental funds, and net assets—governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the

funds.” There are no reconciling items to be reported under the current accounting method utilized by the Town.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” There are no reconciling items to be reported under the Town’s accounting basis.

Note 3. Budgets and Budgetary Accounting

The Town’s general budget policies are as follows:

General Fund

The Town, in accordance with Oklahoma Statutes, Title 69 the Town of Goltry formally adopt budgets which include the General Fund. This annual budget is adopted or based upon historical analysis of prior years.

Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

Note 4. Cash, Cash Equivalents and Investments

The Town utilizes the services of a Treasurer for cash and investment control and accountability. The treasurer is authorized to deposit funds in accounts that are either fully insured or collateralized by acceptable collateral valued at no more than market value. Permissible investments include direct obligations of the United States Government and its Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of the current fiscal year end all cash and investments of the Town were entirely insured or collateralized as required by Oklahoma Statutes.

Deposits

The Town's cash deposits at year-end are categorized to give an indication of the level of risk assumed by the Town at year-end as follows:

Insured or collateralized with securities held by the Town or by its agent in the Town's name.

Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

All deposits of the Town are categorized as (A) type deposits identified above. The carrying amount and market value is equal to the cash balance reported in the financial statement and in the following chart as of June 30, 2021.

Deposit Categories of Credit Risk

	Category			Bank Balance	Carrying Amount	Market Value
	A	B	C			
Cash	\$ 320,306	\$	\$	\$ 320,306	\$ 320,306	\$ 320,306
Investments	5,202			5,202	5,202	5,202
Total	<u>\$ 325,508</u>	<u>\$</u>	<u>\$</u>	<u>\$ 325,508</u>	<u>\$ 325,508</u>	<u>\$ 325,508</u>

Investments

The Town's investments consisted of bank certificates of deposit during the year and are categorized as (A) type deposits identified above. The carrying amount and market value are reported in the chart above as of June 30, 2021.

Restricted Funds

Cash held for customer deposits in the amount of \$28,483.

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2021, interfund receivables and payables that resulted from various interfund transactions were as follows:

NONE

TOWN OF GOLTRY
NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Interfund transfers during the year ended June 30, 2020 were as follows:

Transfers To	Transfers From	
Public Works Authority	General Fund (Grant Funds)	19,182

Capitalized Grant Expenditures used to improve or acquire depreciable assets		
Public Works Authority	General Fund (Grant Funds)	167,632

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

Special revenue funds transfer excess revenues to fund various projects within the Town.

Note 6. Capital Assets

See TABLE 1.

Note 7. Unearned Revenue/Deferred Revenue

The Town has no Unearned or Deferred revenues as of June 30, 2021.

Note 8. Long-Term Debt and Bond Anticipation Notes

Public Works Authority

The Goltry PWA has a note payable with the Oklahoma Water Resources Board (ORF-07-0007-DW) under the Clean Water and Drinking Water State Revolving Fund. The term of the note is twenty years and has an interest rate of 3.59%. The final payment is due on September 15, 2028.

OWRB ORF-07-00007-DW, as of June 30, 2021	\$ 206,202
Less: Current Portion	<u>25,676</u>
Long-Term Portion	181,424

<u>FYE</u>	<u>Interest</u>	<u>Admin</u>	<u>Principle</u>
06/30/22	7,174	903	25,676
06/30/23	6,244	770	26,606
06/30/24	5,281	632	27,570
06/30/25	4,282	489	28,568
06/30/26	3,247	389	29,552
2027 – 2031	3,244	170	68,230

Subsequent event

There are no reportable subsequent events as of the report date.

Note 9. Lease Commitments

There are no current lease commitments as of June 30, 2021 or as of the report date.

Note 10. Contingent Liabilities and Commitments

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is not currently involved in any litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial condition of the Town.

Note 11. Fund Deficits

There are no fund deficits as of June 30, 2021, or as of the report date.

Note 12. Pension Fund

The Town of Goltry participated in two pension and retirement plans. The plans in which the city participated are as follows:

Oklahoma Municipal Retirement Fund

The pension plan provides pension benefits, deferred allowances, and death and disability benefits.

Normal

retirement is age 65 with ten (10) or more years of vesting service, or age 62, with thirty (30) years of service. The normal retirement benefit is equal to 2.625% of final average compensation multiplied by the number of years of credited service.

Early retirement is age 55 with ten (10) or more years of vesting service. The accrued benefit payable starting at age 65, or an actuarially reduced benefit starting at early retirement age. During the fiscal year ended June 30, 2021, 2020, and 2019 the Town of Goltry made total payments, including employee contributions of \$7,096, \$3,808, and \$3,000, respectively.

Firefighters pension plan

Eligible members of the Town's volunteer fire department participate in a retirement and pension plan under the direction of the Oklahoma Firefighters Pension and Retirement System administered by a 13-member Oklahoma Firefighters Pension and Retirement System Board, which is a cost-sharing multiple-employer public employee retirement system (PERS). The Board acts as the fiduciary for investment and administration of the Plan.

The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Normal retirement is the first day following the day the member completes twenty (20) years of service, regardless of age. A member who terminates after ten years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50 or when the member would have completed twenty years of service, whichever is later, provided the member's contribution accumulation is not withdrawn.

Paid firefighters' normal retirement benefit is equal to 50% of final average compensation.

No employee contributions are required of volunteer firefighters. Participating municipalities and fire protection districts contribute 13% of gross salary for each paid firefighter and \$60.00 per year for each volunteer firefighter. Municipalities with revenues under \$25,000 make no contribution for volunteers. The state contributes 34% of the Insurance Premium Tax.

Note 13. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering a portion of those risks of loss. Management believes such coverage is sufficient to preclude significant uninsured losses to the Town.

In the event settled claims exceed the commercial coverage provided by the Town, Oklahoma statutes provide for payment by tax levy through the Sinking Fund at the rate of one-third each year. As an alternative to paying money judgments out of the Sinking Fund at the rate of one-third each year, the court, based on consideration of evidence and proof, may provide for the judgment to be paid over a period of not less than one nor more than ten years. The interest rate on any judgment when payment

is extended more than three years shall be the rate prescribed by law for the first three years and at the rate of six percent for each remaining year.

TOWN OF GOLTRY, Oklahoma**Schedule of Changes in Capital Assets - Modified Cash Basis****TABLE 1. Continuation of Note 6.**

	July 1, 2020	Additions	Disposals	June 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Improvements	-	-	-	-
Total other capital assets at historical costs	-	-	-	-
Less accumulated depreciation for:				-
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Improvements	-	-	-	-
Total accumulated depreciation	-	-	-	-
Other capital assets, net	-	-	-	-
Governmental activities capital assets, net	\$ -	\$ -	\$ -	\$ -
Business-type activities:				
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	167,632	-	167,632.32
Total capital assets not being depreciated	-	167,632	-	167,632.32
Other capital assets				
Buildings	-	-	-	-
Machinery and equipment	64,953	-	-	64,953.20
Utility System	2,287,499	-	-	2,287,499.30
Total other capital assets at historical costs	2,352,453	-	-	2,352,452.50
Less accumulated depreciation for:	-			-
Utility Property	693,199	66,467	-	759,665.72
Total accumulated depreciation	693,199	66,467	-	759,665.72
Other capital assets, net	1,659,253	(66,467)	-	1,592,786.78
Governmental activities capital assets, net	\$ 1,659,253	\$ 101,166	\$ -	1,760,419.10

SUPPLEMENTAL INFORMATION

TOWN OF GOLTRY, Oklahoma
 Budgetary Comparison Schedule General Fund - Modified Cash Basis
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 13,800	\$ 13,800	\$ 118,306	\$ 104,506
Resources (Inflows):				
Taxes:				
Sales Tax	26,600	26,600	87,936	61,336
Franchise Tax	1,500	1,500	1,391	(109)
Use Tax	-	-	39,269	39,269
Tobacco Tax	-	-	808	808
Total Taxes	28,100	28,100	129,404	101,304
Intergovernmental:				
Alcoholic Beverage Tax	8,900	8,900	10,026	1,126
Grant Proceeds	-	-	167,632	167,632
Investment Income	-	-	153	153
Miscellaneous Income				
Fire Receipts	7,000	7,000	5,288	(1,712)
Rental	-	-	-	-
Copies	-	-	81	81
Miscellaneous	24,000	24,000	37,185	13,185
Other Financing Sources:				
Reserve	-	-	-	-
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	81,800	81,800	468,077	386,277
General Government				
Personal Services	15,000	18,500	13,149	(5,351)
Maintenance and Operations	8,000	11,729	36,054	24,325
Capital Outlay	20,000	3,771	3,771	-
	43,000	34,000	52,973	18,973
Street & Alley				
Personal Services	-	-	-	-
Maintenance and Operations	-	-	-	-
Capital Outlay	-	-	-	-
	-	-	-	-
Fire Department				
Personal Services	2,000	2,000	3,089	1,089
Maintenance and Operations	10,000	10,000	15,034	5,034
Capital Outlay	-	-	-	-
	12,000	12,000	18,123	6,123
Other Financing Uses:				
Waterline Project	-	-	134,338	
Transfer to PWA	-	-	19,182	19,182
Transfers to Street & Alley	-	-	9,000	9,000
Total Charges to Appropriations	55,000	46,000	233,616	53,278
Ending Budgetary Fund Balance	26,800	35,800	234,460	\$ 332,998

TOWN OF GOLTRY, Oklahoma
 Alfalfa County, Oklahoma
 Schedule of Grant Awards,
 Revenues and Expenditures
 For Year Ended June 30, 2021

<u>Grant Description</u>	<u>Contract Number</u>	<u>Grant Award</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>
Oklahoma Municipal Power Authority OMPA CUP Award	CUP	\$20,000.00	\$20,000.00	\$20,000.00
FMAG Grant - Complex Wildfire		825.74	825.74	825.74
CDBG Department of Commerce		109,047.89	109,047.89	\$109,047.89
NODA Waterline Replacement Project		25,290.01	25,290.01	\$25,290.01
OK Dep of Agriculture Forestry Grant	Fire Dept Grant	\$ 4,826.28	\$ 4,826.28	\$ 4,826.28
		<u>\$159,989.92</u>	<u>\$159,989.92</u>	<u>\$159,989.92</u>

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent auditors' report.

WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Trustees
Town of Goltry

To the Honorable Board of Trustees
Goltry Public Works Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Goltry, State of Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Goltry, State of Oklahoma's basic financial statements, and have issued our report thereon dated November 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Goltry, State of Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Goltry, State of Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Goltry, State of Oklahoma's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Goltry, State of Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Watonga, Oklahoma
May 9, 2022